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**TESTIMONY OF  
ATTORNEY GENERAL RICHARD BLUMENTHAL  
BEFORE THE PUBLIC HEALTH COMMITTEE  
MARCH 14, 2007**

I appreciate the opportunity to support Senate Bill 1189, An Act Requiring Pharmaceutical Manufacturing Companies to Disclose Incentives Provided to Health Care Providers.

Pharmaceutical manufacturers spend more than \$12 billion on marketing, most directed at health care providers. They were huge sums of marketing money specifically and solely to influence a health care provider's decisions. Indeed, a 2000 Journal of American Medical Association (JAMA) study found that marketing directly influences physician prescribing decisions.

This legislation requires pharmaceutical manufacturers to disclose annually the value, nature and purpose of any gift, fee or other economic benefit to any health care provider or institution or health insurance administrator for the purposes of marketing their drugs. The proposal exempts from such disclosure trade secrets, free samples for patients, compensation for participation in clinical trials, scholarships for medical students and incidental benefits under \$15.

The proposal requires such disclosure of marketing expenses beginning with the 2007 calendar year. Such report must be filed by July 1, 2008. Beginning on March 1, 2009, the Commissioner of Public Health shall file a report summarizing this information to the legislature.

Drug companies apply an arsenal of marketing ploys -- most directed to doctors. The name of the game is reciprocity. This law would simply require broad disclosure.

Patients deserve to know the inducements or incentives that these companies bestow -- all fees, gifts such as free trips or meals and any financial benefits -- so they can make informed decisions. Knowledge is power, especially about drug company marketing. Just as they research purchases of cars, appliances and clothing, consumers should know the facts before making vital decisions about drugs.

Senate Bill 1189 would reveal any potential motivating factors that physicians or health care organizations may have in prescribing one drug over other drug.

This disclosure requirement has already been adopted in Vermont, Maine and West Virginia. Drug companies have already reported their marketing expenses in Vermont for two years.

Both the American Medical Association and the Pharmaceutical Research Manufacturers of America (PHARMA) have ethical guidelines prohibiting a link between gifts and the prescribing of pharmaceutical drugs. Those guidelines are not enforceable under the law. Senate Bill 1189 will provide disclosure of key information to regulators and to these associations so they may better monitor their industries.

I urge the committee's favorable consideration of Senate Bill 1189.